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Communist China's dependence upon the Soviet bloc for the procurement of commodities and services which she cannot obtain directly from Free World sources imposes an intensive burden upon the planning and managerial groups at the decision-making level. In instances where the Soviet bloc cannot procure immediately the quantities of goods and services required for the entire Sino-Soviet bloc, the relative urgency of demand must be determined and priorities established. The conflict of interests may have a disruptive effect that is out of proportion to the cost of the item or items involved.

The differential between CCOM and CNDCCP contribute to possible conflicts of interests over items on International List II by restricting the quantities of such items exported from CCOM countries to the Soviet bloc. Any indication that the export to the Soviet bloc is destined to Communist China is ground for denial of the export by the participating country. Thus IL-II commodities reexported to Communist China from the USSR or the European satellites reduce availability in the Soviet bloc. The quantities of most IL-II items exported to the Soviet bloc, under quota or "3c" treatment, are considered by the United States to be liberal. Nevertheless to the extent that IL-II reduces Free World exports to the Soviet bloc, it imposes a burden on Communist China.

The lead time involved in the design of plants and in the manufacture of equipment, particularly specialized types, intensifies the strain at the decision-making level in both Communist China and the Soviet bloc. Another factor is that the rapidity of industrial recovery and development in Communist China makes it difficult for planning and managerial groups

anticipate specific needs, especially with respect to "bottlenecks" - imbalances that appear in the course of the development. Any major requirement that was not anticipated, or was underestimated, may lead to serious impairment. The privilege of importing from any country specific items that are needed when they are needed is invaluable in the building of a viable industrial economy for peace or war.